"Why should we, because of concern about
the mounting cost of automobile insurance premiums,
accept a solution that restricts the rights of
innocent third parties to be compensated for the pain
and suffering they experienced because of the fault or carelessness of a motorist?

Surely, we, as a feeling and informed and
thinking society can do better than that!"

-- Hon. John Crosbie, QC, former Justice Minister and Attorney General of Canada

"A plan should allow victims of crashes the full right
to sue for pain and suffering. Private auto insurers
have suggested a consumer right to sue should be
constrained in order to keep a lid on rates. Ontario's
experience over the last ten years with private auto
insurance clearly shows that this approach doesn't work."

-- Mel Fruitman, President, Consumers' Association of Canada

Objective: effect auto insurance reform that will benefit policyholders without restricting pain and suffering compensation for accident victims. The signatories agree that government has already taken substantial steps to reduce claims costs by reforming fatality claims last year, by increasing traffic fines and instituting a graduated licensing program earlier this year, which will save the insurance industry $75 MILLION per year.

Proposed solutions AND ESTIMATED ANNUAL SAVINGS:

1. Increase investment on traffic safety initiatives from $2 million to $20 million per year, which studies show will produce as much as an 11-1 return on investment; $100 MILLION - $220 MILLION

2. Pass Bill 33 with amendments to ensure continued fair income loss compensation for farmers and self-employed individuals and to prevent double recovery of past losses; $50 MILLION

3. Eliminate group plan insurer subrogation claims; $40 MILLION

4. Eliminate pre-judgment interest on general damages awards; $30 MILLION

5. Eliminate Schedule C costs where no Statement of Defence has been filed; $5 MILLION

6. Mandatory mediation at the request of one or both parties after a minimum of six months from the date of loss; $20 MILLION

7. Streamline estate claims to reduce costs of administration in fatality cases when the person dies inestate and has no estate; $1 MILLION

8. Permit courts, on application by either party, to impose structured settlements on claim proceeds; $10 MILLION

9. Require written notice by plaintiff counsel to defendant insurer within 30 days of retention; $1 MILLION

10. Allow plaintiff to apply to court for an advance payment from the third party insurer; $5 MILLION

11. Eliminate or reduce the health care recovery levy; $60 MILLION

12. Eliminate or reduce the premium tax; $60 MILLION

13. Ban the use of hand-held cellphones while driving; $45 MILLION

14. Permit insurers to sell optional extended Section B accident benefits; $15 MILLION

15. Change Section B accident benefits from a reimbursement to a pay-direct policy; $20 MILLION

16. The Law Society should forbid lawyer advertisements which promise cash payouts for auto accidents and/or promote cash advances from plaintiff lawyers; $1 MILLION

17. The Law Society should review existing restrictions on contingency agreements and consider a 35% cap on percentage fees charged by plaintiff lawyers; $1 MILLION

18. Tighten driver training requirements and consider mandatory intermittent re-testing; $5 MILLION

19. Implement notice requirements between insurers and motor vehicles branch so as to allow cancellation of registration upon notice of cancellation of insurance; $5-MILLION

20. Require third party insurer to disclose to plaintiff the limits of the defendant insured's PLPD coverage; $1 MILLION

21. Require full financial disclosure by insurers as a condition of doing business in Alberta;

22. Establish fair and transparent practice guidelines relating to underwriting, placement in the facility association, and claims conduct;

23. Ensure that Automobile Insurance Board policy from now on is to tie premium increase applications with the increase, if any, in claims costs;

24. Invite further competition in the marketplace by allowing ICBC, SGI, MPI and perhaps ATB to sell auto insurance in Alberta;

25. Consider creating a "premium appeal tribunal" for policyholders who wish to challenge their premium assessment, similar to the taxation office which reviews legal bills and the review board that considers property tax appeals.

Accident Victims/Insurance Policyholders Advocate

Per: D. Westra
David Westra, Chair

Canadian Bar Association (Alberta Branch)

Per: D. Higa
Don Higa, President

Alberta Civil Trial Lawyers Association

Per:
Ron Everard, President

Fight for Right Coalition

Per: L. Tomlinson
Laurie Tomlinson, Chair

The Canadian Bar Association-Alberta supports the 25 proposed solutions, but is not in a position to assess or comment on the estimates of annual savings.